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PART II

WHAT CAN A MAN AFFORD?

Second Prize Essay

By

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WHAT CAN A MAN AFFORD?

CARL SMITH JOSLYN

Two prime considerations are involved in an answer to the question which forms the title of this essay: the one economic, the other moral. Their character depends upon what interpretation we place on the term "afford." What can a man "afford," as an item in the family budget and as part of the sum which he must regularly expend for the support of his family, to donate to philanthropic enterprises? What can a man "afford"—perhaps better, what *should* a man "afford"—as his obligation to those of his fellow-creatures who through adverse circumstances are less fortunate than he, to give for religious and charitable purposes? Once these questions are answered in a thorough and systematic manner, we should have a working principle on which charitable organization and other philanthropic societies could regulate their campaigns for funds with greater assurance of success than obtains at present.

Probably the earliest mention of anything like a rate or levy imposed upon members of a social group for altruistic purposes is to be found in the ancient Biblical reference to the "tithe," or a tenth part of the produce of land. Although the custom of the tithe as a tax or tribute was almost universal in antiquity, it is not until the times of the early Hebrew tribes¹ that we find the tithe definitely established as a fixed levy upon the produce of land, to be devoted to religious purposes. The tithe rate was taken up by the Christian church and for a long time was one of the methods of supporting the clergy, being introduced in England about the end of the eighth century. Since then it has been virtually abandoned as a levy either for civil or religious purposes except in a few outlying Mohammedan countries where it is used by the state as a convenient rate in its system of taxation.

There are those who still believe that the tithe rate is practicable as a means of exacting contributions to religious and philanthropic endeavors. They are under the impression that a tax on the produce of land in ancient times is equally applicable as a tax on the product of labor² in the modern industrial community. Such persons are easily convinced of their error by an examination and study of present day family budgets, which show a tendency—particularly among the lower levels of income—for expenditures for the necessities of life to en-

¹ See Lev. xxvii and Deut. xiv where the tribes of Levi, not having lands assigned them, were provided for by this means.

² The writer is, of course, cognizant of the fact that the three elements of land, labor, and capital enter into the production of practically all economic goods. The mention of the single element in the above passage was purely for the purpose of contrast.

croach on the amount available for charity and other sundry purposes. So pronounced is this tendency that, although it might be deemed desirable for various reasons to impose a ten per cent levy on all incomes, it would prove practically impossible in the majority of cases to collect the requisite amount without seriously impoverishing the family in the matter of some much needed commodity.

If it is true, then, that a fixed proportionate levy such as the tithe is impracticable in the modern industrial community as a means of obtaining financial support for philanthropic enterprises, the question naturally arises, should a smaller proportionate levy be imposed; or is the theory of proportion altogether unsound in this connection and should a progressive rate be established which would satisfy more completely the demands of justice and expediency? To answer this very critical question a careful and detailed study of family budgets is necessary, and this we shall now undertake.

The outstanding items of expenditure in the normal family budget are as follows: food, clothing, shelter, fuel and light, and "sundries,"—the last of which includes everything not mentioned under the first four heads which is necessary for maintaining the average family in health and decency. Let it be noted at the outset that the proportionate amounts expended for these several items vary considerably with the amount of income and size of family. Regarding the manner of the former variation and its distribution as among the several items in the family budget, Dr. Engel, a German statistician, some sixty years ago advanced the following propositions or "laws," which with a few minor changes have become well established as fundamental axioms in the study of family budgets and their ways:

1. The greater the income, the smaller the percentage of outlay for subsistence.

2. The percentage of outlay for clothing remains the same, or approximately so, whatever the income.

3. The percentage of outlay for rent, fuel, and light is approximately the same whatever the income.

4. The greater the income, the greater the proportionate outlay for sundries.

Emphasis should be laid on the words "percentage" and "proportionate" and care taken to distinguish between an absolute and a proportionate variation in the expenditures. In the first proposition, for instance, although the *percentage* of outlay for subsistence becomes smaller with a higher income, the absolute amount of money so expended may, and in fact usually does, increase; this increased expenditure however, does not bear the same proportion to the total family expenditure as did the smaller amount. Preserving this distinction, we may conclude

that although the sum of money expended for clothing, rent, fuel, and light increases with an increase of income, the proportion which these items bear to the total family expenditure remains unchanged. In the case of the last proposition—that relating to sundries—the expenditure advances so rapidly that there is not only an absolute but a proportionate increase as well.

What special significance do the above conclusions of Dr. Engel hold for us in this essay? Chiefly this: that once the family income has been applied to the satisfaction of the more elemental human wants, a definite share, increasing progressively with larger income, is made available for miscellaneous purposes, including insurance, medical attendance, savings, amusements and recreation, books and papers, education, religion, and charity. In the interests, therefore, not only of “justice”—a term which is likely to lead us into many difficulties—but of well-grounded expediency, we should require of the higher income groups a progressively larger contribution to the cause of charity. Of the details of this requirement more will be said later on.

Subsequent investigations have for the most part confirmed the calculations of Dr. Engel. Probably the most reliable for our purpose, because the most extensive, was conducted by the United States Bureau of Labor in 1901 when an elaborate investigation³ was undertaken into the question of the cost of living in the United States. As a result of the material which it collected, the Bureau was able to establish the following table of figures as the per cent variation of specified items of expenditure with variations in income.⁴

From the following table it will be seen that one or two exceptions must be taken to the propositions laid down by Dr. Engel, at least as regards America. The proportionate outlay for fuel, it will be noted, decreases somewhat instead of remaining constant; that for clothing is nearly twice as great in the higher income groups, indicating a very prevalent desire to “live up” to one’s income, in appearances at any rate. But in the case of the item marked “sundries”—and this is the one which most concerns us—the American investigation unmistakably confirms the calculations of Dr. Engel.

We have so far discovered that the percentage of outlay for sundries varies directly with the income, increasing as it increases, and *vice versa*. Does the amount expended for this item vary with the size of the family as well? We should expect the expenditures for rent, fuel, and light, also for sundries, to decrease—assuming a fixed income—

³ See *Eighteenth Annual Report of the Commissioner of Labor*, “Cost of Living and Retail Prices of Food” (1903).

⁴ *Ibid.*, Table V, R, p. 593.

TABLE I.—PER CENT OF TOTAL EXPENDITURE MADE FOR VARIOUS PURPOSES IN 11,156 NORMAL FAMILIES,⁵ BY CLASSIFIED INCOME.

Classified Income	Total Families	Per Cent of Total Expenditure for—						Total
		Rent	Fuel	Lighting	Clothing	Food	Sundries	
Income under \$200.....	32	16.93	6.69	1.27	8.68	50.85	15.58	100.0
" \$200 and under 300	115	18.02	6.09	1.13	8.66	47.33	18.77	100.0
" 300 " " 400	545	18.69	5.97	1.14	10.02	48.09	16.09	100.0
" 400 " " 500	1676	18.57	5.54	1.12	11.39	46.88	16.50	100.0
" 500 " " 600	2264	18.43	5.09	1.12	11.98	46.16	17.22	100.0
" 600 " " 700	2336	18.48	4.65	1.12	12.88	43.48	19.39	100.0
" 700 " " 800	2094	18.17	4.14	1.12	13.50	41.44	21.63	100.0
" 800 " " 900	806	17.07	3.87	1.10	13.57	41.37	23.02	100.0
" 900 " " 1000	684	17.58	3.85	1.11	14.35	39.90	23.21	100.0
" 1000 " " 1100	340	17.53	3.77	1.16	15.06	38.79	23.69	100.0
" 1100 " " 1200	96	16.59	3.63	1.08	14.89	37.68	26.13	100.0
" 1200 or over.....	168	17.40	3.85	1.18	15.72	36.45	25.40	100.0
Total	11,156	18.12	4.57	1.12	12.95	43.13	20.11	100.0

to make room for larger outlays for food and clothing, and this is substantially what the following table shows to take place.

TABLE II.—PER CENT OF TOTAL EXPENDITURE MADE FOR VARIOUS PURPOSES IN 11,156 NORMAL FAMILIES, BY SIZE OF FAMILY.⁶

No. of Children	Total Families	Total Income per Family	Per Cent of Total Expenditure for—						Total
			Food	Rent	Clothing	Fuel	Lighting	Sundries	
0	2124	\$632.61	40.33	20.23	12.43	4.76	1.14	21.11	100.0
1	2579	638.29	41.74	18.48	12.64	4.67	1.14	21.33	100.0
2	2700	649.04	43.21	17.81	13.03	4.59	1.13	20.23	100.0
3	1973	665.90	44.56	17.44	13.17	4.45	1.10	19.28	100.0
4	1248	683.16	45.69	16.76	13.36	4.23	1.08	18.88	100.0
5	532	664.82	47.24	16.54	13.85	4.52	1.04	16.81	100.0
Total	11156	\$650.98	43.13	18.12	12.95	4.57	1.12	20.11	100.0

Let us now devote our entire attention to the item marked "sundries." Regarding this we may draw two conclusions: that the percentage of outlay for articles under this head, (1) increases with successive advances in income; (2) decreases with successive additions to the family group. Up to this point, however, we have shown only variations of expenditure with each of these factors considered separately, in each case assuming the other element to be a fixed or an average quantity. In order that our collection of facts may be really significant, we must bring these two variable quantities together and make out a table of concomitant variations, so to speak. This should enable

⁵ The "normal family" is defined in the report as one having: the husband at work; a wife; not more than five children, and none over 14 years of age; no dependent, boarder, lodger, or servant; and expenditures for rent, fuel, lighting, food, clothing, and sundries.

⁶ *Ibid.*, Table V, E and F. Pp. 568-9.

us to determine at a moment's notice the average per cent of total expenditure made for sundries for any family of stated income and size.

TABLE III.—PER CENT OF TOTAL EXPENDITURE MADE FOR SUNDRIES IN 11,156 NORMAL FAMILIES, BY SIZE OF FAMILY AND CLASSIFIED INCOME.⁷

Classified Income	No Child- ren	One Child	Two Child- ren	Three Child- ren	Four Child- ren	Five Child- ren
Income under \$200.....	16.62	15.31	17.97	17.04	9.62	—
“ \$200 and under 300	17.65	22.99	18.36	15.15	12.33	17.82
“ 300 “ “ 400	17.54	18.07	15.62	14.78	13.43	11.72
“ 400 “ “ 500	18.02	18.50	15.82	14.71	14.11	13.84
“ 500 “ “ 600	18.29	18.93	17.76	15.75	14.49	13.87
“ 600 “ “ 700	21.35	20.58	19.95	18.69	15.50	14.97
“ 700 “ “ 800	23.11	22.73	22.32	20.46	19.71	16.66
“ 800 “ “ 900	22.48	24.37	22.80	22.25	23.80	22.00
“ 900 “ “ 1000	22.90	23.62	22.90	23.67	23.89	19.41
“ 1000 “ “ 1100	25.70	24.25	22.02	23.19	24.54	22.17
“ 1100 “ “ 1200	28.06	25.85	25.73	24.31	26.77	25.72
“ 1200 or over.....	25.28	30.06	26.03	22.88	20.60	20.23
Total	21.11	21.33	20.23	19.28	18.88	16.81

Despite numerous irregularities in the above table, the tendency certainly is present for the percentage of expenditure for sundries to vary directly with the amount of income and inversely as the size of the family. Following out any single income group we find generally a progressive diminution, particularly beyond the family size of three, in the proportionate amount expended for sundries. Looking only at the designated size of family we find usually an increase, and in most cases a steady increase, in the various percentages as the income advances.

The inference that inevitably follows from the conclusions we have just reached is that if we are in any way to prescribe,—or, to put it more mildly and appropriately, to *suggest*,—minimum contributions for charitable purposes which every single person or head of family could feel assured were economically possible, we must take into account the two variable factors of income and size of family. And as the most graphic and serviceable means of setting forth this twofold variation and its effect on the amount available for philanthropic enterprises, the “chart for givers” has much to commend it. Such a device was used with considerable success during the Liberty Loan and other war campaigns, and also by the Interchurch World Movement, to the latter of which we shall again have occasion to refer. Probably the one feature of such a chart which is most responsible for its success is the fact that in almost every instance the observer is led, either by a furtive curiosity or by an actual desire to “do the right thing,” to find out just where he stands on the list and to make comparisons, favorable

⁷ *Ibid.*, Table V, M. Pp. 584-5.

or unfavorable as the case may be. If charity organizations and other philanthropic societies could give widespread publicity to such a chart and maintain it continuously up-to-date, they would have an appeal to men's pocketbooks far more effective and far more universal than any which has so far been devised.

In our advocacy of the "chart for givers," however, it may be that we have committed ourselves to one or two principles of contribution which, to say the least, deserve to be carefully scrutinized. If we follow our intended purpose, we are to ask of the rich man a larger sum of money—not only absolutely, but in proportion to his income—than of the poor man. Is this wise? Is it just? To settle in a satisfactory manner this question of "justice" we must needs have recourse to an analogy which although it may prove nothing finally, will at least throw some light on the point at issue. It is that of taxation.

Taxation and contribution to charitable causes resemble each other in that (1) they fall as a definite burden on the family man's pocket-book for which he sees nothing definite in return (indirect benefits seem to many people a most inadequate kind of *quid pro quo*); (2) they represent expenditures which in the strict sense are entirely devoted to other than purely personal or family uses; (3) attempts are constantly being made to make them both as universal and democratic as possible; (4) since they are preferably universal, their burden should be so adjusted as to fall equally—or as nearly so as possible—on all classes of income; (5) they both are, or should be, a matter of public concern. Charitable contributions and taxation differ fundamentally, however, in that the latter is compulsory and the former necessarily, and wisely, voluntary. The collection of taxes is made by the state for the support of civil institutions; the soliciting of contributions is made by individuals or duly constituted authorities for the benefit of special classes who by reason of inherent defects or social circumstances represent a claim on the community. Observing the limits to which our analogy may safely be carried, we can now consider briefly the much debated question of "justice in taxation" and what possible bearing it may have on the problem here under discussion.

Of theories in taxation there are chiefly three: the benefit theory, the ability or faculty theory, and the fiscal or financial theory. Since the time when Adam Smith, in his "Four Canons of Taxation," enunciated the rather dubious and unilluminating doctrine that "the subjects of every state ought to contribute towards the support of the government as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state," a seemingly endless controversy has been waged over this point concerning justice in taxation. Space is too

brief here to permit of an historical review of the several doctrines or to point out the details of their application to schemes of taxation and contribution. Let it suffice to state each theory in as few words as possible and to set up in a manner equally brief the most potent objections that have been urged against them.

According to the benefit theory, each citizen should contribute to the support of the state in proportion, so far as possible, to the benefits which he has derived from the maintenance of the various civil institutions. This settles nothing, however, for by what method and according to what standard are we to determine the benefits which each individual derives from the protection and administration of the state? Many of these have been suggested but in no case have they proved adequate for the purpose. Disregard, then, the theory of benefits, say the supporters of the "faculty" theory, and let each man contribute to the needs of the state according to his ability. In this way the rich can be compelled to pay progressively more than the poor and all the ends of justice will be met. Granting that the well-to-do will be forced thereby to contribute a larger sum of money than those less fortunate, by what means are we to determine how *much* more able to pay the former are than the latter, so that this measure of ability may be precisely reflected in the rates of taxation imposed? The answer is that there are no such means. Much the same difficulty holds true of the doctrine of "equality of sacrifice." No means are available by which we could measure with anything like accuracy and precision such vague and abstract quantities as ability and sacrifice. It is idle to prate of justice when we cannot even pretend to accuracy in its application.

In the last analysis, therefore, the question tends to resolve itself into one not of justice, but of simple expediency. Justice is at best a term difficult to define in any particular instance; as a generality or universal ideal it has been repeatedly demonstrated to be practically without meaning. Instead of attempting, therefore, the definition of a term at once so abstract and indeterminable, we shall do better to confine ourselves to questions of relative expediency. This is the view championed by supporters of the fiscal or financial theory of taxation. Let the rich man give progressively more than the poor man for the reason that more money can be secured for the needs of the state by that means; let the former give as *much* more than the latter as experience shall prove to be practicable, according to recognized standards of convenience, economy, and political expediency. Such in essence is the fiscal theory of taxation. It can pretend to none of the high-sounding attributes of "justice," but it has at least the not uncertain merit of being practicable and serviceable for all purposes which it was designed to meet.

In our "chart for givers," therefore, we shall require of the prosperous man a larger share of his income than of the poor man, not with the idea that thereby the ends of social justice are being served, but simply because our study of sample family budgets convinces us that the expenditure for sundries increases progressively among the higher income groups and that for that reason the rich man would feel no great inconvenience at being asked to contribute somewhat more than his less fortunate neighbor.

So much for "sundries" as a collective expenditure. What, now, are the separate items to be considered under this head and what part of the expenditure is devoted to philanthropic purposes,—by which we mean, to other than personal and family uses? Following are the principal items commonly grouped under the term "sundries":—furniture and furnishings, insurance, carfare, amusements and vacation, sickness and death, education and uplift, gifts or loans, domestic service, liquor and tobacco, laundry, "spending-money," taxes, dues, and other contributions. Under the last of these heads are included contributions to church and to charity, the only items of expenditure that may properly be called "philanthropic" in purpose, according to the definition given above. Other items such as labor and other organization fees and expenditures "for patriotic purposes"⁸ must be ruled out as having too much of a personal character or of a temporary nature only.

In the investigation conducted by the Bureau of Labor in 1901, the percentages of total expenditure for church and charity in the 2,567 families selected for detailed investigation were .99 per cent and .31 per cent respectively, giving a combined percentage of expenditure for philanthropic purposes of 1.30 per cent.⁹ But this figure does not tell us whether the expenditures for charitable and religious purposes increase or decrease as the total percentage of expenditure for sundries grows larger. For this important and more detailed information we shall be obliged to turn to two other studies which have been made of the cost of living, that by Mrs. More¹⁰ for 200 families in New York City and the investigation but recently completed by the United States Bureau of Labor Statistics.¹¹

The following table is reproduced from Mrs. More's study showing the percentage distribution of expenditures for a number of miscellaneous items, classified according to the per cent which the expenditure for sundries is of the total family expenditure.¹²

⁸ This item is listed in the table of "Miscellaneous Expenditures" in the recent survey of the U. S. Bureau of Labor Statistics. See the *Monthly Labor Review* for November, 1919.

⁹ See *Eighteenth Annual Report of Commissioner of Labor*, p. 648.

¹⁰ Wage-Earners' Budgets," L. B. More. N. Y., 1907.

¹¹ Reported in the numbers of the *Monthly Labor Review*, May-December, 1919.

¹² L. B. More, *op. cit.*, p. 96, Table VI (B).

TABLE IV.—PER CENT OF DISTRIBUTION OF AMOUNT DEVOTED TO SUNDRIES FOR FAMILIES IN WHICH EXPENDITURE FOR SUNDRIES IS A GIVEN PER CENT OF ENTIRE EXPENDITURE.

Distribution	Per Cent						Total
	Less than 5	5-10	10-20	20-30	30-40	40-50	
Recreation	5.1	6.5	7.5	7.4	3.7	54.3	8.9
Union	1.0	.5	1.3	.9	.6	0.0	.9
Gifts or Loans.....	0.0	1.5	2.7	5.3	2.4	17.6	4.2
Drink	0.0	18.8	15.1	14.8	9.6	12.7	14.1
Church	0.0	2.5	3.6	2.5	.7	1.6	2.5
Furniture	9.7	4.4	10.3	9.7	10.7	3.1	9.4
Papers	17.9	5.4	4.6	2.6	1.5	.9	3.4
Car-fares	6.8	7.7	6.6	3.5	3.6	0.0	4.7
Medical Attendance....	26.1	14.5	13.7	9.4	10.6	7.9	11.5
"Spending-money"	0.0	19.9	20.5	16.8	24.9	0.0	18.7
Education	0.0	2.9	2.5	3.3	6.2	0.0	3.8
Domestic Service	0.0	0.0	.5	4.1	0.0	0.0	1.7
Funerals	0.0	0.0	.6	10.8	15.4	0.0	6.7
Miscellaneous	33.4	15.4	10.5	8.9	10.1	1.9	10.0
Total Per Cent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0

No separate item for charity is given in this table. In families in which the expenditure for sundries was less than 5 per cent of the total expenditure, apparently no contribution was made to the church. The reason for this is probably twofold: the comparatively small number of families investigated and the fact that so low an expenditure for sundries more than likely represents a small family income, according to the fourth of Engel's "laws." As the percentage of outlay for sundries increases we get an increase in the proportion given to the church, followed by a rapid falling off in this amount after 20 per cent is reached. The decline, it will be noted, is not regular; this may again be attributed to the small field of investigation. The average per cent which the expenditure for church is of the total outlay for sundries is 2.5 per cent for all families, the highest averages in the column being 18.7 per cent for "spending-money" and 14.1 per cent for drink. In the case of the items marked "recreation" and "spending-money" we get not a falling off but a progression in the percentage of expenditure. No evidence to the contrary, it may be assumed that the larger amount of money thus devoted to recreation, drink, and spending-money might, with the exercise of a little foresight and restraint, be partly given over to larger contributions for religion and charity.

In its recent investigation covering 92 cities and towns in 42 states, the Bureau of Labor Statistics collected data for 30 of these localities regarding expenditures of the families for miscellaneous items, among which were included contributions to church and charity. Although these figures as finally presented¹³ were given only as average amounts

¹³ See the *Monthly Labor Review* for November, 1919, pp. 16-19.

of expenditure for each of the towns and cities, and no percentages were calculated, we are able to construct from the data which are given there and elsewhere a table of percentages somewhat similar to that of Mrs. More's. In the following table we have two sets of percentages relating to expenditures for church and charity, the one showing what per cent of the total family expenditure was so devoted, the other showing what per cent of the outlay for sundries this amount represented. Both of these are distributed according to the per cent relation which the expenditure for sundries bears to the total expenditure.

TABLE V.—PERCENTAGES OF TOTAL EXPENDITURE AND OF EXPENDITURE FOR SUNDRIES DEVOTED TO CHURCH AND CHARITY, CLASSIFIED ACCORDING TO THE PERCENTAGE WHICH EXPENDITURE FOR SUNDRIES IS OF TOTAL EXPENDITURE.¹⁴

Specified Item	Percentage of Expenditure Devoted to Church and Charity in Localities where Outlay for Sundries is Stated Per Cent Total Expenditure—			
	17-19	19-21	21-23	23-25
Church and Charity— Per Cent of Total Expenditure	.903	.786	.708	.723
Church and Charity— Per Cent of Expenditure for Sundries	4.97	3.87	3.21	2.98

If we may rely upon the figures thus obtained, it seems evident that the percentage of outlay for church and charity decreases as the proportionate expenditure for sundries grows larger. Applying once more the fourth of Dr. Engel's propositions, this would indicate that as the income increases more and more money is devoted to uses other than those designated above,—in this case more than likely to pleasureable pursuits. As in a measure substantiating this view, the percentage which the expenditure for "amusement and vacation" is of the total outlay for sundries is found by calculation to be 5.92, 6.11, and 5.96 per cent for localities in which the total outlay for sundries was 17-19, 19-21, 21-23, and 23-25 per cent respectively of the total family expenditure. Although this is by no means a steady progression, the proportionate amount of expenditure does not undergo a decrease, as was the case with contributions to church and charity, so that we are safe in concluding that the absolute amount of money devoted to "amusement and vacation" increases with a rise in income.

No reason is anywhere apparent why the proportionate amount expended for church and charity should not, if not increase, at least remain constant. If families in which the outlay for sundries is only from 17 to 19 per cent of the total expenditure can afford to devote

¹⁴ *Monthly Labor Review*, May, pp. 147-65; June, 101-16; July, 75-114; and November, 16-19.

4 per cent or even more of this to other than purely personal and family uses, certainly it is reasonable to expect of families in which such outlay forms one-fifth or even one-fourth of the total family expenditure a like, or possibly even a greater, proportionate amount devoted to philanthropic purposes. Families may spend more for charity as well as for pleasure, once the more urgent demands on the family income, such as for furniture, insurance, savings, medical attendance, carfare and the like, have been satisfied. And this, considered not as a moral obligation, but merely as an economic possibility.

We may establish the following, then, as tentative rates of contribution: for families in which the outlay for sundries constitutes from 17 to 19 per cent of the total expenditure, 4 per cent of the expenditure for sundries; for families in which this outlay represents from 19 to 21 per cent of the total expenditure, 5 per cent of the expenditure for sundries; for those in which 21 to 23 per cent of the income is devoted to sundries, 6 per cent of this expenditure; for those spending 23 to 25 per cent for sundries, 7 per cent; for those spending 25 to 27 per cent for sundries, 8 per cent; for those spending 27 to 30 per cent, 9 per cent; and for those spending from 30 to 50 per cent or more for sundries, 10 per cent of this expenditure. For convenience in reference these percentages are reproduced in tabular form.

TABLE VI.—TENTATIVE PERCENTAGE RATES OF EXPENDITURE FOR CHURCH AND CHARITY OF FAMILIES IN WHICH OUTLAY FOR SUNDRIES IS STATED PER CENT OF ENTIRE EXPENDITURE.

Percentage of Entire Expenditure Devoted to Sundries	17-19	19-21	21-23	23-25	25-27	27-30	30-50
Percentage of Expenditure for Sundries to be Devoted to Church and Charity	4	5	6	7	8	9	10

The progression in these rates is for the most part an arbitrary matter, but the one given above should not prove too severe for the reason that the highest rate that could be imposed on the total family income is about 5 per cent,—perhaps somewhat more if the outlay for sundries exceeds 50 per cent of the total expenditure. A rate of 6 per cent or less is surely not too much to ask of a man for philanthropic purposes, particularly if the rates are graduated so as to make the contribution for every family, whatever their financial circumstances, an economic possibility.

What, now, of the large family with the comparatively small income? Should we ask of people who themselves have all they can do to keep above the poverty line, to contribute to charity for the help of

others? Are there to be no cases of exemption in the scheme of contribution which we propose to devise? This question may best be settled by an examination of recent studies of quantity and cost budgets for American families. Such a study was made in August, 1919, for the average family of five—two adults and three children under 14 years of age—living in Washington, D. C., and was reported in the December number of the *Monthly Labor Review*.¹⁵ Using as a basis for the quantity budget the minimum standard of "health and decency," the following tentative cost budget was drawn up.

<i>Cost of Quantity Budget at Market Prices (Aug., 1919)</i>	
I Food	\$773.93
II Clothing	513.72
III Housing, Fuel, and Light.....	428.00
IV Miscellaneous	546.82
	<hr/>
	\$2262.47
Possible saving on market cost by exercise of thrift, intelligence, etc	\$246.91
	<hr/>
	\$2015.56

By November, 1919, the cost of this budget had advanced from \$2262.47 to \$2288.25, owing to the rapid rise in the cost of living. The cost of the more economical budget probably would be increased to about \$2,040. Allowing for a decrease in living costs since November and possible variation in market costs among different localities, we may feel justified in establishing the point of exemption for a family of five at \$2,000 or thereabouts. In the report of the study just referred to it is stated that the allowance for miscellaneous items includes among other things a minimum outlay for insurance and "contributions to churches and labor or beneficial organizations. . . ."¹⁶ so that some contribution to church and charity is not unreasonable to ask of families in such circumstances. The point of exemption for single persons may be determined by dividing the cost budget given above by the number of equivalent male adults represented by the average family of five, in this case 3.35, which makes the minimum cost budget for a single male adult about \$700.

We have now come to the point where we can settle the details of our "chart for givers." The chart will, of course, be graduated both according to amount of income and number in the family, the former ranging from \$700 to something like \$10,000, the latter from one to six. Our next most important problem is to determine a scale of percentage contribution for families of stated income and size. In the report of the recent investigation by the United States Bureau of Labor

¹⁵ *Monthly Labor Review*, December, 1919, pp. 22-29.

¹⁶ *Ibid.*, p. 24.

Statistics we have at hand the means of formulating a part, at least, of such a scale. In the August, 1919, number of the *Monthly Labor Review*, a summary is given of the percentage expenditures for all the 12,096 families investigated. The entire table is reproduced herewith although our main interest centers in the column of "miscellaneous items."

TABLE VII.—PERCENTAGE OF EXPENDITURE PER ANNUM FOR THE PRINCIPAL GROUPS OF ITEMS OF COST OF LIVING IN FAMILIES IN 92 INDUSTRIAL CENTERS, BY INCOME GROUPS.

Income Group	Number of Families	Average Persons in Families	Total Average Annual Expenditure	Per Cent of Expenditure for—					
				Food	Clothing	Rent	Fuel and Light	Furniture & Furnishings	Miscellaneous
Under \$900.....	323	4.3	\$842.91	44.1	13.2	14.5	6.8	3.6	17.8
\$900 and under \$1200	2,423	4.5	1076.08	42.4	14.5	13.9	6.0	4.4	18.7
1200 " " 1500	3,959	4.7	1300.71	39.6	15.9	13.8	5.6	4.8	20.2
1500 " " 1800	2,730	5.0	1536.68	37.2	16.7	13.5	5.2	5.5	21.8
1800 " " 2100	1,594	5.2	1755.74	35.7	17.5	13.2	5.0	5.5	23.0
2100 " " 2500	705	5.7	2054.97	34.6	18.7	12.1	4.5	5.7	24.3
2500 and over.....	353	6.4	2466.91	34.9	20.4	10.6	4.1	5.4	24.7
Total	12,096	4.9	\$1434.36	38.2	16.6	13.4	5.3	5.1	21.8

The figures in this table conform substantially to the conclusions of Dr. Engel, although it will be noted that the average percentages for the several items of expenditure have shifted somewhat since the investigation of 1901. A smaller share of the family income is now spent for food; more for clothing; less for rent; about the same for fuel and light; and somewhat more for sundries, which in the earlier investigation included "furniture and furnishings." This variation may be attributed to differences in the increase of cost of the various items, a phenomenon which does not concern us particularly here, but which is most ably explained and illustrated in a recent article in the *Monthly Labor Review*.¹⁷

From the above table it would appear that a family of five (given as 5.2 in the table) having an annual income of from \$1800 to \$2100 would be able to devote about 23 per cent of its total expenditure to miscellaneous items. According to the table of progression which we drew up such a family should be able to devote 6 per cent of its outlay for sundries to charitable causes, or 1.38 per cent of its total expenditure. This resembles closely the percentage assigned in the chart of the Interchurch World Movement, already referred to, which is 1.43 per cent for a family of this income and size. The level of exemption that we established also coincides approximately with that employed in the chart. Another point of resemblance is in the maximum rates of contribution, which neither in our scheme nor in the chart referred to

¹⁷ *Monthly Labor Review* for July, 1920, pp. 1-10.

exceed 6 per cent of the total income. We are unable, however, from any of the data readily available to settle in other than a purely arbitrary manner the rates of progression for the several sizes of family. Schemes of progression may be devised in accordance with a principle seemingly plausible; yet they will be found upon examination to be more or less unsound owing to the high degree of uncertainty involved on such abstruse points in the study of family budgets. Not only is human nature, its whims, caprices, desires, and motives, most incalculable, but recent statistical material covering in detail expenditures for sundries and for charity is lacking. Under such circumstances any further generalization would be to court disaster. For this reason we are forced to be dependent on previous attempts to devise a "chart for givers," and conspicuous among these for its reasonableness and approximate agreement with what few specifications we have been able to set up is that of the Interchurch World Movement.

This chart appeared as one of the series of advertisements which the Interchurch Movement had inserted in leading newspapers of the country during its united financial campaign from April 25 to May 2, 1920. Presumably the chart was worked out by one or more of the statistical experts which the Movement had at its service, although on this point the writer has no definite information. From all reports the chart seems to have made a strong appeal to the newspaper-reading public; no reason is apparent why it could not be used to similar advantage in other religious and charitable fund campaigns. For the convenience of the reader the chart is reproduced herewith in the form in which it originally appeared in the newspapers of April 26, 1920.

TABLE VIII.—A CHART FOR GIVERS, GRADUATED ACCORDING TO AMOUNT OF INCOME AND NUMBER IN FAMILY.

Number in Family	1	2	3	4	5	6
Income	Weekly Pledge to Your Church					
\$700	\$.10	—	—	—	—	—
800	.20	—	—	—	—	—
900	.30	\$.10	—	—	—	—
1000	.40	.15	—	—	—	—
1200	.60	.35	\$.10	—	—	—
1500	.90	.70	.30	\$.10	\$.10	—
1800	1.15	1.05	.65	.30	.30	\$.10
2100	1.60	1.40	1.00	.60	.60	.30
2500	2.10	1.85	1.40	1.05	1.05	.70
3000	2.65	2.40	2.00	1.60	1.50	1.25
3500	3.20	3.00	2.55	2.15	2.10	1.75
4000	3.80	3.55	3.10	2.70	2.65	2.30
4500	4.35	4.10	3.65	3.25	3.15	2.80
5000	4.95	4.65	4.20	3.80	3.70	3.30
6000	6.10	5.80	5.30	4.85	4.75	4.35
7000	7.25	6.90	6.40	5.95	5.80	5.35
8000	8.40	8.05	7.50	7.05	6.85	6.40
9000	9.55	9.15	8.60	8.15	7.95	7.45
10000	10.70	10.30	9.70	9.20	9.00	8.45

Two points in this chart deserve our attention. The first is that the sums of money here tabulated represent pledges to the church alone, if we may judge from the words at the head of the chart. Yet at the same time the chart answers to the specifications which we drew up for both religious and charitable contributions. This discrepancy may be ascribed to the fact that the chart given above was intended for use in the financial campaign of a united Church movement and for that reason particular stress was laid on the religious side of the appeal. Elsewhere in the advertisement it is explained that the churches are appealing to the public "as the channel through which a certain definite part of its income can be applied to make this a better world." The amounts of money given in the table, therefore, probably represent what it is economically possible to devote to philanthropic enterprises, including contributions to both church and charity.

The second point to be observed is the form in which the chart appears. To simplify matters for the average man the sums of money are given as weekly pledges, not as lump sums of annual expenditure. All men know how much money they devote each week to church and charity; few of them, however, unless exceedingly regular in their contributions, could tell exactly what the yearly aggregate of these weekly donations would be. To be effective in advertising the "chart for givers" should take the form described.

For purposes of analysis, however, the figures in this chart must be rendered into terms of percentages of expenditure, and this is what has been done in the following table. First the annual pledge was

TABLE IX.—THE DATA OF TABLE VIII RENDERED IN TERMS OF PERCENTAGES OF ANNUAL EXPENDITURE.

Number in Family	1	2	3	4	5	6
Income	Per Cent					
\$700	.70	—	—	—	—	—
800	1.25	—	—	—	—	—
900	1.66	.55	—	—	—	—
1000	2.00	.75	—	—	—	—
1200	2.50	1.46	.42	—	—	—
1500	3.00	2.33	1.00	.33	.33	—
1800	3.19	2.92	1.81	.83	.83	.28
2100	3.81	3.33	2.38	1.43	1.43	.71
2500	4.20	3.70	2.80	2.10	2.10	1.40
3000	4.42	4.00	3.33	2.67	2.50	2.08
3500	4.57	4.29	3.64	3.07	3.00	2.50
4000	4.75	4.44	3.88	3.38	3.31	2.88
4500	4.83	4.55	4.06	3.61	3.50	3.11
5000	4.95	4.65	4.20	3.80	3.70	3.30
6000	5.08	4.83	4.42	4.04	3.96	3.63
7000	5.17	4.93	4.57	4.25	4.14	3.82
8000	5.25	5.03	4.69	4.41	4.28	4.00
9000	5.31	5.08	4.78	4.53	4.42	4.14
10000	5.35	5.15	4.85	4.60	4.50	4.23

calculated and then the ratio between this amount and the family income was found and recorded.

Taken as a whole the above percentages are most informing; examined in detail they are found to be rather unilluminating. The general idea of progression and the relations in which the amounts in the various columns stand toward each other is accurately set forth. Irregularity in the rate of progression, however, is everywhere evident. In some cases an advance of \$500 in income will cause an increase of .22 in the per cent; in other cases an increase of only .15; and in still others only .08. Obviously, the chart was not composed in the form of percentages; otherwise this error, though not very damaging, would not have been committed.

The highest percentage in the table is 5.35 per cent for a single person of \$10,000 income; the lowest is .28 per cent for a family of six with an income of \$1800. This represents a scale of giving of less than 6 per cent,—an amount which both in appearance and reality is certainly not excessive. This chart is intended, however, as is stated in the advertisement, only as a suggestion—a table of minimum contributions to church and charity which may aid the giver in performing his duty, if such he feels it to be. The figures here given only demonstrate what is economically possible; not what is morally obligatory. No injunction however stern could hold a man from going below the amount given in these suggestions,—indeed, from ceasing to contribute altogether, unless he could be convinced that he was morally bound to donate at least this amount. As a necessary complement, therefore, to the economic side of the question, “What can a man afford?” we must now turn to a consideration of the ethical problem involved, which, stated succinctly, is as follows: Why should a man devote a part of his income, which admittedly he can afford so to devote, to other than personal or family uses when by all the laws of nature and common sense he is entitled to dispose of the fruits of his labor in whatever manner he sees fit? In other words, Wherein lies the moral obligation and what is its nature?

Probably the most emphatic denial of the existence of a moral obligation between social classes has come from the school of sociologists and philosophers known as individualists. Among these the one who has dealt most explicitly with the problem of charity is the late Professor W. G. Summer of Yale. In his book entitled *What Social Classes Owe to Each Other*, after declaring that “the next most pernicious thing to vice is charity in its broad and popular sense,” he establishes the thesis that “a free man in a free democracy has no duty whatever toward other men of the same rank and standing, except re-

spect, courtesy, and good-will.”¹⁸ This surely is an out-and-out challenge to those who seek to universalize contribution to charitable causes on the basis of a real obligation subsisting between members of different social groups.

Professor Sumner prefaces his argument with the assertion that “certain ills belong to the hardships of human life. They are natural. They are part of the struggle with Nature for existence. We cannot blame our fellow-men for our share of these. . . . Certain other ills are due to the malice of men, and to the imperfections or errors of civil institutions. These ills are an object of agitation and a subject of discussion. The former class of ills is to be met only by manly effort and energy; the latter may be corrected by associated effort.”¹⁹

As a statement of human ills, their origin and their remedy, the above is hardly adequate. Suppose we put it this way: certain ills are inherent in the individual, and are aggravated or mitigated by the physical circumstances surrounding him; certain other ills are external to the individual, consisting in his environment, and their baneful effect is diminished or augmented according as the individual’s constitution is inherently strong or weak. The two forces interact. Nor is it a question of “blaming our fellow-men” for either of these classes of ills. Professor Sumner has conceived this question in altogether the wrong light. To find the true solution, the problem must be approached from an entirely different point of view.

First the question must be answered, What is the good in society? What is the goal toward which this vast social organism is consciously or unconsciously moving? The answer should be simple. Society is no more than an aggregation of individuals, each with his own longings, desires, and aspirations. Oftentimes these various motives to conduct cause conflict. What then is to be the criterion of action? Clearly none other than the greatest good of the greatest number,—the fulfillment of a maximum of human interests,—what we may call, if we are careful to remember what we mean by the word, happiness. But how is this greatest happiness of the greatest number to be realized? Here Professor Sumner has a word: “Every man and woman in society has one big duty. That is, to take care of his or her own self. This is a social duty. For, fortunately, the matter stands so that the duty of making the best of one’s self individually is not a separate thing from the duty of filling one’s place in society, but the two are one, and the latter is accomplished when the former is done.”²⁰ “Making the best of one’s self,”—what does the man mean by this phrase? If he means

¹⁸ Sumner, *op. cit.*, p. 39.

¹⁹ *Ibid.*, pp. 17-18.

²⁰ *Ibid.*, *op. cit.*, p. 113.

that every man should make the ends of his action identical with that which will bring the greatest happiness to the greatest possible number of his fellow-beings, we are in perfect accord. But if he means—and this, we have reason to believe, is the correct interpretation to be placed on his words—that every man should so direct his life as to secure the satisfaction of all those desires and impulses that will bring to him the greatest possible pleasureable experience, and this quite without reference to the effects of his action on the happiness and welfare of others, we must promptly take issue.

It is all very well to suppose that the ends of action of a multitude of human beings, each seeking the satisfaction of desires and impulses that will bring to him pleasure, should somehow be symphonized into one great heavenly harmony, but this is seldom if ever the case. When a number of men want the same thing, and this thing, or things like it, is limited either in quantity or in capability of rendering human satisfaction, a conflict is sure to ensue. All of the men in question view their action not from a social but from a purely individual standpoint. The idea obsessing their minds is, not how this thing can bring the greatest possible happiness to society, but how it can bring the greatest possible pleasure to themselves.

Admitting the existence of conflict between the pleasureable ends of a number of individuals, we are confronted with the alternative of either reconciling in some way these opposing forces, or allowing them to take their course unhampered. Suppose we choose the latter: the strongest wins and the devil take the hindmost! This is individualism at its best and supporters of this doctrine claim for it the sanction of the divine law of nature. But what in the meantime has become of our *summum bonum*,—the greatest possible happiness of the greatest possible number? The man of strength who emerges victorious from the struggle, having obtained the object of his desire, uses it for his own satisfaction in a manner wholly independent of the welfare of others. His self-seeking conduct may encroach considerably on the happiness of others, it may encroach little thereon, or it may not encroach at all. Should it encroach only a little, or more on some men than on others, the individualist will argue, what more could be expected? Here is your greatest happiness of the greatest number already achieved! Individualism as a social philosophy has vindicated itself. There is a side to man's make-up, however, which the individualist in his superficial estimate of human nature has entirely failed to take into account. This is man's sense of unity with his fellow-beings,—*esprit de corps* or social will as it is variously called,—and it is daily seen to become a more and more important factor in the regulation of conduct.

Mill recognized its importance in the following passage of his essay on Utilitarianism.

"The social state is at once so natural, so necessary, and so habitual to man, that except in some unusual circumstances or by an effort of voluntary abstraction, he never conceives himself otherwise than as a member of a body. . . . Any condition, therefore, which is essential to a state of society becomes more and more an inseparable part of every person's conception of the state of things he is born into and which is the destiny of a human being. . . . Not only does all strengthening of social ties, and all healthy growth of society, give to each individual a stronger personal interest in practically consulting the welfare of others; it also leads him to identify his *feelings* more and more with their good, or at least with an even greater degree of practical consideration for it. He comes, as though instinctively, to be conscious of himself as a being who *of course* pays regard to others. The good of others becomes to him a thing naturally and necessarily to be attended to, like any of the physical conditions of our existence."²¹

The most significant word in the above passage is one which Mr. Mill himself has italicized; it is "*feelings*." What does this mean, if not that the happiness of the individual and of society are to be considered identical? Man's highest happiness is to realize in himself the full expression of the organic social will. This, too, is the goal of society of which we were speaking: to have in each individual a focus of the general will, a reproduction in miniature of those motives and springs to action that result in the furtherance of an organic social welfare.

No obligation, therefore, rests upon me to come to the aid of others less fortunate than myself, if self-love is to be the end and aim of all my action (unless, perchance, an acute sense of the aesthetic causes me to be irritated at the sight of others' misfortune). But if I am to identify my happiness with the happiness of the other human beings with whom I share life on this planet, a very definite obligation presents itself to me. My action, if it is to be directed with regard for the happiness of others as of myself, must not only refrain from interfering with those conditions which make possible the happiness of others, that is, the full expression of the individual-social self, but must strive, where such conditions are not present, to bring them, in part measure at least, to pass.

This is the very *raison d'être* of modern charity. The blind, the crippled, the defective, the feeble-minded, the insane, the incurably diseased, the aged, and others in a similar condition are those who through accident or the work of nature have become permanently disbarred from a complete self-realization. An obligation rests upon me, as a member of society, to extend to these the aid that will enable them to enjoy the

²¹ J. S. Mill, "Utilitarianism," ch. iii, pp. 29-30 (Everyman's edition). The italics are his own.

greatest *possible* happiness under the circumstances. The orphan, the friendless, the ignorant, the maltreated, the under-nourished, the sick, and others of their kind are those who through negligence or "the malice of men" are for the time kept from a full enjoyment of happiness. An obligation rests upon me, as a member of society, to extend to these the aid that will in the course of time enable them to realize more perfectly the desires and aspirations of the individual-social self. Granting the premises of this argument, the existence of such a moral obligation can in no way be denied.

There remains one more possible objection to contributions for philanthropic purposes and that is to be found in the words with which Professor Sumner expresses his repugnance toward "charity in its broad and popular sense." By this doubtless he means to censure the indiscriminate giving of alms, and with this sentiment every well-informed student of social welfare will heartily agree. Although it may possibly be an exaggeration to say that such an unintelligent practice of charity is "the next most pernicious thing to vice," those familiar with the results of such action will regard this expression as more or less pardonable. The sums tabulated in the "chart for givers" do not represent what each man should give each week to the beggar on the street corner. Their purpose is to discourage indiscriminate almsgiving and to provide a channel whereby every citizen who has a "heart and a dollar" may give for charity with the assurance that his money will go towards the aid of those who for some good reason are, perhaps only for the time being, unable to help themselves. It is said that charity has a bad name in the eyes of some people. If this is true, nothing will go farther towards redeeming it than a public demonstration of what organized effort, efficiently and economically directed, is able to accomplish.

The thought to be carried away from a perusal of this essay is not "What Can a Man Afford?" It is rather, what should I, a member of society, contribute to make possible for those who through no fault of their own are unable to realize the elemental joys of life, a more complete realization of all that is at one with society in the individual self? What criterion is to be consulted: my own self-seeking pleasures or the happiness of that great multitude of fellow-beings called "society," in which I live and move and have my being? And in which way lies the greater true happiness for myself?